

# Nonprofit Leaders Conference for Coastal & Southwest Washington



## CASE ONE: THE WINDFALL

A wealthy aunt of your organization's founder recently passed away and bequeathed a highly marketable home to your organization. You've already sold the home for \$500,000 and expect to receive the check in three weeks. You and your board are thrilled, as your nonprofit struggles each year to raise sufficient revenues to cover your budgeted expenses. This year's profit and loss statement was looking bleak. Now, you're about to receive a \$500,000 windfall that exceeds your organization's current annual budget of \$450,000!

There's so much your organization could do with this windfall to move its mission forward that you've never before been able to consider. You're receiving lots of advice from board members and staff about how to spend the \$500,000 proceeds, such as:

- Build a second location so you can open up a satellite operation that serves people in an adjacent community that lacks your service.
- Raise everyone's salary to market levels.
- Hire a fundraising professional.
- Put all the proceeds into a board-designated ("quasi") endowment fund.
- Remodel and expand your current facility.
- Put all the proceeds into a reserve fund.
- Expand your programming to include a new, much-needed service for your community.
- Replace everyone's outdated computers and software with a state-of-the-art network.
- Hire a marketing and branding firm to help you build community awareness of, and appreciation for, the services you offer.
- Et cetera ...

You want to use this windfall to build a stronger, more sustainable nonprofit organization. What should you consider/do?

## **CASE TWO: ANOTHER FUNRAISING EVENT?**

Your nonprofit depends heavily on proceeds from annual “fun run” donations, community breakfast sponsorships, and foundation grants to keep its doors open. Your Fundraising Coordinator handles the event planning and fundraising activities with lots of help from volunteers. As Executive Director, you write the grant proposals.

One of the grant makers you depend on for a sizeable chunk of program funding has informed you that they are no longer making annual operating grants to organizations like yours. They will consider proposals only for program enhancements, capacity-building activities, or capital improvements, and will no longer give to the same organization two years in a row. You’ve sent letters of inquiry to several new foundations and are having no luck.

As the community’s need for your programming has mushroomed, your nonprofit has struggled just to maintain its current level of service. You’ve longed to do so much more. Now, it looks like your nonprofit will have to cut some of its programming. You’re feeling desperate to find new sources of revenue. Dizzily pouring through the excel spreadsheets that contain donor records from your organization’s various events and grant seeking activities, you just can’t seem to find a solution.

Your board wants to put on a third event – maybe a gala auction. You cannot imagine adding another event to your Fundraising Coordinator’s plate. You wonder if, instead, she might seek additional sponsors for your fun run and community breakfast – maybe some of those large, Seattle-based corporations that have warehouses and distribution centers in your county.

What would you advise this Executive Director and Board to do? What strategies should they consider a priority for building a stronger, more sustainable nonprofit?